

HOUSE No. 2357

By Mr. Finegold of Andover, petition of Barry R. Finegold and others relative to tax credits for the purchase of alternative fuel vehicles. Revenue.

The Commonwealth of Massachusetts

PETITION OF:

Barry R. Finegold	Bruce E. Tarr
Scott P. Brown	Michael E. Festa
Douglas W. Petersen	John W. Scibak
J. James Marzilli, Jr.	Anne M. Gobi
Peter V. Kocot	Walter F. Timilty
Pamela P. Resor	

In the Year Two Thousand and Five.

AN ACT RELATIVE TO A TAX CREDIT FOR THE PURCHASE OF AN ALTERNATIVE FUEL VEHICLE.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 6 of chapter 62 of the General Laws, as
2 appearing in the 2002 Official Edition, is hereby amended by
3 adding at the end thereof the following subsection:—
4 (l)(1) As used in this subsection the following words shall have
5 the following meanings:
6 “Alternative fuel”, compressed natural gas, propane, ethanol, or
7 any mixture of ethanol containing 85 per cent or more ethanol by
8 volume with gasoline or other fuels, electricity, or any other fuels,
9 which fuels may include, but are not limited to, clean diesel and
10 reformulated gasoline so long as these other fuels make compa-
11 rable reductions in carbon monoxide emissions and brown cloud
12 pollutants as determined by the air quality control commission.
13 “Alternative fuel” does not include any fuel product that contains
14 or is treated with methyl tertiary butyl ether (MTBE).
15 “Alternative fuel vehicle”, a hybrid vehicle or motor vehicle
16 certified by the federal environmental protection agency as
17 meeting the federal ultra-low-emitting vehicle emission standard.

18 “Hybrid vehicle”, a motor vehicle with a hybrid propulsion
19 system that uses an alternative fuel by operating on both an alter-
20 native fuel, including electricity, and a traditional fuel.

21 “Motor vehicle”, means any self-propelled vehicle required to
22 be licensed or subject to licensing for operation upon the high-
23 ways of this state, including a vehicle that uses a hybrid propul-
24 sion system.

25 “Power source”, the engine or motor and associated wiring, fuel
26 lines, engine coolant system, fuel storage containers, and miscel-
27 laneous components.

28 (2) A taxpayer shall be allowed a credit against taxes imposed
29 by this chapter for the purchase of an alternative fuel vehicle, for
30 the costs incurred for converting a motor vehicle to use alternative
31 fuel, or for the cost of the replacement of the power source of a
32 motor vehicle with a power source that uses alternative fuel.

33 (3) The credit allowed under this subsection shall be equal to
34 25% of the cost associated with the purchase of an alternative fuel
35 vehicle, the cost of converting a motor vehicle to use alternative
36 fuel, or for the cost of the replacement of the power source of a
37 motor vehicle with a power source that uses alternative fuel or
38 \$1,500, whichever is less.

39 (4) Credit is only available in the year during which the vehicle
40 is purchased or converted; provided, however, any taxpayer enti-
41 tled to this credit, the amount of which exceeds the total tax due
42 for the current taxable year, may carry over the excess amount, as
43 reduced from year to year, and apply it to his or her tax liability
44 for any one of the next succeeding 5 taxable years.

45 (5) This tax credit shall begin on January 1, 2006 and end on
46 December 31, 2011, staying in effect five years in order to pro-
47 mote the purchase of environmentally beneficial hybrid vehicles.

48 (6) The department shall promulgate such rules and regulations
49 as are necessary to administer the credit afforded by this subsec-
50 tion.

1 SECTION 2. The provisions of this act shall apply to taxable
2 years beginning on or after January 1, 2006.